

Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SSO-00 INRE-00 IGA-01 AGR-05

AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 IO-10 SAM-01 FDRE-00 USIE-00 DODE-00 PM-03

H-02 L-02 NSC-05 PA-01 PRS-01 SS-15 NSCE-00 CPR-01

/102 W

----- 066738

O R 071025Z MAR 75

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC IMMEDIATE 7602

AMCONSUL LOURENCO MARQUES IMMEDIATE

INFO AMEMBASSY BLANTYRE

AMEMBASSY LISBON

AMEMBASSY LUSAKA

AMEMBASSY LONDON

AMEMBASSY MBABANE

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

C O N F I D E N T I A L SECTION 1 OF 2 DAR ES SALAAM 0680

ALSO FOR AIDAC

CAPE TOWN FOR EMBASSY

E.O.11652: GDS

TAGS: EAID, PFOR,(MZ

SUBJECT: MOZAMBIQUE ECONOMIC SURVEY TEAM

REF: A) STATE 44999; B) LOURENCO MARQUES 224; C) STATE 9479;

D) LOURENCO MARQUES 250 (ALL NOTAL)

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1. SUMMARY: FRELIMO REPRESENTATIVE SHERFUDINE KHAN IN

MEETING WITH AMERICAN AMBASSADOR PROMISED TO CONVEY PROMPTLY TO MACHEL THE NEED TO MOVE FORWARD WITH ECONOMIC SURVEY TEAM, AND TO CLARIFY QUESTIONS OF MOZAMBICAN NEED FOR FOOD AID. HE ALSO SUGGESTED FRELIMO WANTED GOOD RELATIONS WITH US AND WEST, AND DISCUSSED PROBLEMS OF RELATIONS DURING PRE-INDEPENDENCE PERIOD.

2. IN ABSENCE FRELIMO PRESIDENT AND VICE PRESIDENT, ON MARCH 6 I DISCUSSED ECONOMIC SURVEY TEAM WITH SHERFUDINE KHAN, FRELIMO REPRESENTATIVE TO UN, WHO CURRENTLY WORKING IN FRELIMO OFFICE HERE. I ASKED KHAN TO PASS ON SUBSTANCE OF OUR CONVERSATION TO MACHEL AT EARLIEST POSSIBLE MOMENT, SAYING THAT I WOULD OF COURSE BE GLAD TO REPEAT MESSAGE DIRECTLY TO MACHEL ON HIS RETURN FROM FAR EAST. KHAN PROMISED TO DO SO, SAYING MACHEL MIGHT BE BACK THISWEEKEND, AND IT WAS LIKELY EITHER MACHEL OR DOS SANTOS WOULD WANT TO MEET WITH ME DIRECTLY. HIGHLIGHTS OF HOUR-LONG CONVERSATION AS FOLLOWS:

3. ECONOMIC SURVEY TEAM: I REVIEWED HISTORY, COMPOSITION AND PLANS OF PROPOSED TEAM IN ACCORDANCE REFTELS A AND B AND EARLIER MESSAGES, POINTING OUT WE NEEDED KNOW AS SOON AS POSSIBLE WHEN FRELIMO AND MOZAMBIQUE TRANSITIONAL GOVERNMENT (MTG) WANTED TEAM TO COME, AND ALSO WHETHER MACHEL WANTED TEAM LEADER TO PASS THROUGH DAR ES SALAAM FOR TALKS WITH FRELIMO BEFORE OR AFTER VISIT. KHAN SAID THAT THERE SHOULD BE NO PROBLEM ABOUT SETTING AN EARLY DATE FOR THE TEAM, AND HE OPINED FRELIMO WOULD PROBABLY WANT TEAM LEADER TO TRANSIT DAR. FRELIMO SPEAKS WITH ONE VOICE, HE SAID, AND IF MACHEL SAID THE TEAM WILL BE WELCOME, IT WILL BE WELCOME. HE NOTE MY REMARKS ON THE AREAS ALREADY IDENTIFIED AS OF PRIMARY INTEREST (TAKEN FROM PARA 3, REF C) WOULD BE VERY USEFUL IN HELPING MTG NAME COMPETENT PEOPLE TO MEET AND WORK WITH TEAM WHEN IT CAME. HE SUGGESTED THAT ONE AREA OF ESPECIAL INTEREST MIGHT BE US ADVICE ON ESTABLISHMENT OF A MOZAMBIQUE CENTRAL BANK (IN ACCORDANCE WITH LUSAKA AGREEMENT WITH PORTUGAL) AND ON RELATIONSHIP OF NEW MOZAMBIQUE ESCUDO TO DOLLAR AND OTHER MONETARY ZONES. A MOZAMBICAN TEAM HAS JUST RETURNED FROM DISCUSSIONS WITH PORTUGUESE ON THESE SUBJECTS, AND MTG IS THUS MUCH BETTER PREPARED THAN BEFORE TO CONSIDER

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SUCH MATTERS WITH USG.

4. FOOD FOR PEACE VISIT: KHAN EXPRESSED SURPRISE THAT CHISSANO AIDE COULD HAVE SAID THAT MOZAMBIQUE NO LONGER HAD FOOD PROBLEM AND THAT FOX VISIT THEREFORE NOT NEEDED. HE OPINED THAT AIDE (AND CHISSANO) MAY HAVE BEEN WITHOUT INSTRUCTIONS ("CHISSANO HAS NO MANDATE TO SAY ANYTHING WITHOUT INSTRUCTIONS"). UNDER SUCH CIRCUMSTANCES, AIDE MIGHT WELL

SAY MOZAMBIQUE DID NOT NEED HELP; MOREOVER, SUBJECT OF NEEDING AID WAS ONE ON WHICH MOZAMBICANS WERE RATHER SENSITIVE. KHAN PROMISED TO LOOK INTO THIS.

5. PL-480 WHEAT: NOTING CHISSANO'S STATEMENT THAT MOZAMBIQUE NO LONGER NEEDED PL-480 WHEAT, I SAID I UNDERSTOOD THAT CURRENT NEEDS WERE TO BE MET BY ROMANIA. THIS WAS FINE WITH USG, SINCE THERE OTHER CANDIDATES NEEDING LIMITED AVAILABLE US SUPPLIES. HOWEVER, FRELIMO SHOULD KNOW THAT ALL PL-480 COMMODITIES UNDER THIS YEAR'S CONGRESSIONAL APPROPRIATION HAD TO BE LOADED ON BOARD SHIP BY JUNE 30; SHOULD THE ROMANIAN SUPPLY FALL THROUGH, IT MIGHT BE DIFFICULT TO REOPEN THE OFFER OF 16,000 TONS WHEAT UNLESS A MOZAMBICAN REQUEST TO DO SO CAME FAIRLY QUICKLY.

WITHOUT CONGRESSIONAL MANDATE, WE COULD NOT NOW MAKE ANY COMMITMENTS UNDER NEXT YEAR'S PL-480 PROGRAM. WE WERE IN NO WAY TRYING TO PRESS AID ON MOZAMBIQUE, BUT WANTED TO CLARIFY THE PL-480 SITUATION. KHAN APPEARED SOMEWHAT SURPRISED AT CHISSANO'S TURNING DOWN THE WHEAT OFFER, AND SAID PERHAPS HE ONLY MEANT MOZAMBIQUE DID NOT NEED WHEAT RIGHT AT THIS TIME. BECAUSE OF LIMITED STORAGE FACILITIES, UNLOADING PROBLEMS, ETC., IT WAS NECESSARY THAT GRAIN SUPPLIES COME IN AT SPACED OUT INTERVALS IN ORDER NOT TO CLOG THE SYSTEM. ONCE AGAIN, HE PROMISED TO VERIFY WHAT FRELIMO'S REAL POSITION WAS.

6. EXIM FINANCING: KHAN SAID HE WAS VERY GLAD TO HEAR EXIM BANK HAD AGREED TO PROVIDE CREDIT FOR MOZAMBICAN PURCHASE OF LOCOMOTIVES, AND SAID HE COULD ASSURE US THAT MACHEL WOULD BE VERY APPRECIATIVE AS WELL.

7. TRAINING: I MENTIONED IN PASSING THAT USG STILL WILLING
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CONSIDER PROVIDING TRAINING ASSISTANCE. LATER IN THE CONVERSATION KHAN SAID HE HAD PROPOSED TO OTHER FRELIMO LEADERS THAT 10-12 STUDENTS BE SENT TO IOWA UNIVERSITY FOR SHORT (6 MONTH) COURSES IN AGRICULTURE. I DID NOT REFER TO USG URGINGS THAT PORTUGAL SHARE OUR ASSISTANCE WITH ITS DEPENDENT TERRITORIES, BECAUSE JANELO MONDLANE, IN AMB'S PRESENCE, HAD AS RECENTLY AS

FEBRUARY 22 TOLD STAFFDEL DE HAAN THAT FRELIMO DID NOT WANT INDIRECT US AID CHANNELLED THROUGH PORTUGAL (REPORTED BY MEMCON).

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SSO-00 INRE-00 IGA-01 AGR-05

AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 IO-10 SAM-01 FDRE-00 NSCE-00 DODE-00 PM-03

H-02 L-02 NSC-05 PA-01 PRS-01 SS-15 USIE-00 CPR-01

/102 W

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O R 071025Z MAR 75

FM AMEMBASSY DAR ES SALUM

TO SECSTATE WASHDC IMMEDIATE 7603

AMCONSUL LOURENCO MARQUES IMMEDIATE

INFO AMEMBASSY BLANTYRE

AMEMBASSY LISBON

AMEMBASSY LUSAKA

AMEMBASSY LONDON

AMEMBASSY MBABANE

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

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ALSO FOR AIDAC

CAPE TOWN FOR EMBASSY

8.

HOW TO HANDLE AID: IN COURSE OF CONVERSATION, KHAN
MADE LONG RAMBLING STATEMENT TO EFFECT THAT BECAUSE OF
FREIMO'S SENSITIVITIES IN PRE-INDEPENDENCE PERIOD, AND
UNWILLINGNESS LET PORTUGAL ACT ON ITS BEHALF, IT WOULD BE
MUCH BETTER FOR THE TIME BEING IF FOREIGN COUNTRIES SIMPLY
SENT IN AID (IN PARTICULAR, DISASTER RELIEF AID) WITHOUT
WAITING FOR ANYBODY TO ASK FOR IT. HE NOTED (IN CONFIDENCE)
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THAT THIS PRECISELY WHAT UK HAD DONE THIS WEEK WITH REGARD TO LIMPOPO FLOODS; A PLANELOAD OF RELIEF AID (SEE REF D) HAD BEEN DISPATCHED, AND BRITISH HIGH COMMISSIONER THEN TELEPHONED FRELIMO IN DAR TO DISCUSS POSSIBLE AID TALKS IN DAR OR LONDON, CLOSING BY INFORMING FRELIMO THAT PLANE WAS ALREADY IN THE AIR BOUND FOR LOURENCO MARQUES. ITALIANS HAD ALSO SENT MEDICINES WITHOUT BEING ASKED, WHICH WAS GOOD, WHILE BRAZILIANS, WHO ALSO OFFERED MEDICINES, WERE TOLD TO WAIT UNTIL AFTER INDEPENDENCE.

9. RELATIONS WITH US AND THE WEST: KHAN STRESSED FACT THAT AN INDEPENDENT MOZAMBIQUE FULLY INTENDED TO MAINTAIN RELATIONS WITH ALL COUNTRIES OF THE WORLD, AND THAT THIS WAS A LONG STANDING FRELIMO POLICY. DURING THE WAR, THE US, WHILE STATING ITS BELIEF IN SELF-DETERMINATION FOR MOZAMBIQUE, HAD REFUSED TO HELP FRELIMO BECAUSE IT WAS USING VIOLENCE AS A METHOD. THAT THIS WAS A STAND BASED ON PRINCIPLE HAS BEEN EVIDENCED BY RAPIDITY WITH WHICH AMERICA HAS OFFERED ASSISTANCE AND COOPERATION NOW THAT VIOLENCE IS ENDED, A RESPONSE WHICH HAS CONSIDERABLY EXCEEDED FRELIMO'S EXPECTATIONS.

10. AS SAMPLE OF FRELIMO'S INTENTION TO MAINTAIN RELATIONS WITH ALL NATIONS, KHAN REMARKED THAT EVEN BEFORE WAR ENDED HE HAD TALKED WITH PEOPLE FROM THE MENNONITE CENTRAL COMMITTEE (MCC), WHO WERE KNOWN FOR THEIR INTERNATIONAL GOOD WORKS AND THEIR SKILLS, ESPECIALLY IN THE AREA OF AGRICULTURAL RECLAMATION. HE FOUND THAT MENNONITES, WHO WERE A BIT NAIVE ON INTERNATIONAL POLITICAL MATTERS, HAD AGREED TO PARTICIPATE IN A \$4 MILLION RECLAMATION PROJECT TO DOUBLE THE AREA OF THE GIANT BRITISH-OWNED SENA SUGAR ESTATES IN ZAMBEZIA; KHAN TALKED THEM OUT OF IT AT THE TIME, BUT SAID FRELIMO WILL NOW TELL MCC TO GO AHEAD WITH THE PROJECT. THIS SHOWS, HE SAID, THAT FRELIMO IS NOT OPPOSED TO FOREIGN INVESTMENT.

11. DOING BUSINESS WITH FRELIMO: REFERRING TO CHANNELS OF COMMUNICATION, KHAN SAID MANY GOVERNMENTS AND ORGANIZATIONS HAVE A HARD TIME UNDERSTANDING THAT MTG HAS A NEW AND UNIQUE STATUS IN WHICH, EVEN IN THIS TRANSITIONAL PERIOD, FRELIMO AND NOT PORTUGAL REPRESENTS MOZAMBIQUE IN FOREIGN RELATIONS MATTERS. UN AGENCIES DON'T SEEM TO HAVE ANY PROBLEMS WITH THIS, BECAUSE UN HAS LONG RECOGNIZED FRELIMO AS AUTHENTIC

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SPOKESMAN FOR MOZAMBICAN PEOPLE, BUT OTHERS INCLUDING, HE SUGGESTED, THE US SEEM TO FIND DIFFICULTIES. I ACKNOWLEDGED THAT SITUATION DURING TRANSITIONAL PERIOD WAS INDEED COMPLEX AND UNUSUAL. MOREOVER, KHAN ADDED, IT WAS IMPORTANT THAT BALANCE BETWEEN FRELIMO IN DAR ES SALAAM AND NTG IN LOURENCO MARQUES BE HANDLED RIGHT, SO AS TO AVOID "CROSSING OF LINES".

HE INSINUATED THAT MATTERS STARTED IN DAR SHOULD BE PURSUED THERE, AND THAT USG THUS CORRECT IN NOW RAISING THESE MATTERS WITH FRELIMO HEADQUARTERS.

12. COMMENT: ON THE BASIS OF KHAN'S REACTIONS, WE ARE HOPEFUL THAT SENDING OF ECONOMIC SURVEY TEAM CAN NOW GO FORWARD PROMPTLY. HIS RESPONSE TO THE FOOD QUESTION SUGGESTS CONTINUED LACK OF COORDINATION BETWEEN MTG AND FRELIMO HEADQUARTERS, AND WE SHOULD CERTAINLY BE PREPARED FOR POSSIBILITY THAT ANSWERS GIVEN US IN LOURENCO MARQUES MAY TURN OUT NOT TO BE THE LAST WORD. INDEED, KHAN IMPLIED ON SEVERAL OCCASIONS THAT MTG MIGHT BE MAKING DECISIONS EXCEEDING ITS AUTHORITY. GIVEN FRELIMO SENSITIVITIES, WE ARE GOING TO HAVE TO CONTINUE TO FEEL OUR WAY CAUTIOUSLY SO AS NOT TO BECOME THE VICTIM OF

SOME INTRA-FRELIMO MIXUP. OUR PRESENT SYSTEM OF A COORDINATED DUAL APPROACH TO EACH END, STILL SEEMS THE MOST LIKELY WAY OF GETTING THINGS DONE WITHOUT RUFFLING FRELIMO FEATHERS. FINALLY, KHAN'S REMARKS ABOUT SENA SUGAR ESTATES ARE MOST INTERESTING, AS THIS COMPANY HAS BEEN FAVORITE TARGET OF MACHEL'S MOST SCATHING INVECTIVE AS A HORRIBLE EXAMPLE OF FOREIGN CAPITALISTIC EXPLOITATION (LOURENCO MARQUES MAY HAVE FURTHER COMMENT ON THIS).

13. KHAN IS SOPHISTICATED DIPLOMAT, AND CERTAINLY FOLLOWING INSTRUCTIONS IN HIS CORDIAL APPROACH TO US. EARLIER THIS WEEK KHAN ATTENDED A RECEPTION AT MY RESIDENCE FOR

ASSISTANT SECRETARY JAMES (FIRST FRELIMO REPRESENTATIVE TO COME TO RESIDENCE, THOUGH THEY HAVE PREVIOUSLY ATTENDED FUNCTIONS AT THE HOMES OF MEMBERS OF MY STAFF), AND HE TOLD ME THAT MARCELINO DOS SANTOS HAD INSTRUCTED HIM NOT TO ACCOMPANY A TRIP BY DOS SANTOS TO THE RUVUMA AREA IN
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ORDER TO BE ABLE TO ATTEND.
CARTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, SURVEYS, FOREIGN ASSISTANCE, POLITICAL SITUATION
Control Number: n/a
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Draft Date: 07 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Reference: 75 STATE 44999, 75 LOURENCO MARQUES 224, 75 STATE 9479
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Review Authority: KelleyW0
Review Comment: n/a
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